

Trade deals, LDC deferment top agenda at WTO summit

REFAYET ULLAH MIRDHA

Bangladesh will prioritise bilateral trade negotiations, deferment of its graduation from least developed country (LDC) status, among other issues, at the World Trade Organisation's (WTO) 14th Ministerial Conference, which opens tomorrow in Cameroon's capital, Yaoundé.

The country has scheduled talks with the European Union (EU) on signing a free trade agreement (FTA) on the sidelines, Commerce Minister Khandakar Abdul Mukhtar, who will be leading the Bangladesh delegation at the conference, told The Daily Star over the phone yesterday.

"We have a plan to discuss trade agreements and business issues with several countries and trade blocs apart from participating in the regular consultation meetings at the summit," Mukhtar said.

The four-day summit comes as the rules-based multilateral trading system under the WTO faces mounting pressure from bilateral deals, regionalism and protectionism by developed nations.

On the sidelines, Bangladesh will also seek EU support for delaying its LDC graduation, said the minister. The country applied to the United Nations last month to defer its LDC graduation by three years to November 2029. The UN Committee for Development Policy discussed the request at its annual meeting in New York last month and has set up a process to evaluate the application.

BANGLADESH AT WTO CONFERENCE

- Will also seek help to join China-led RCEP
- Will discuss trade partnership with S Korea, Singapore, New Zealand
- Other priorities include e-commerce, FDI, fisheries subsidies

The Bangladesh delegation will also seek cooperation from member countries as it tries to join the China-led Regional Comprehensive Economic Partnership Agreement (RCEP). Trade partnership discussions are scheduled with South Korea, Singapore, and New Zealand, scheduled during the summit, which runs until March 29.

Other priorities on Bangladesh's agenda include e-commerce, foreign direct investment and fisheries subsidies. On the latter, Bangladesh has agreed to reduce funding for the fishing of rare and endangered species.

Mohammad Abdur Razzaque, chairman of the Research and Policy Integration for Development (RAPID), recently said it is difficult to predict how much support Bangladesh can secure for deferring graduation.

Gambia, as LDC coordinator, has proposed allowing LDCs and graduating LDCs with per capita real income below \$1,000 – measured using 1990 US dollar exchange rates – to continue providing subsidies.

Under that criterion, Razzaque said, Bangladesh would qualify to maintain subsidies in various sectors.

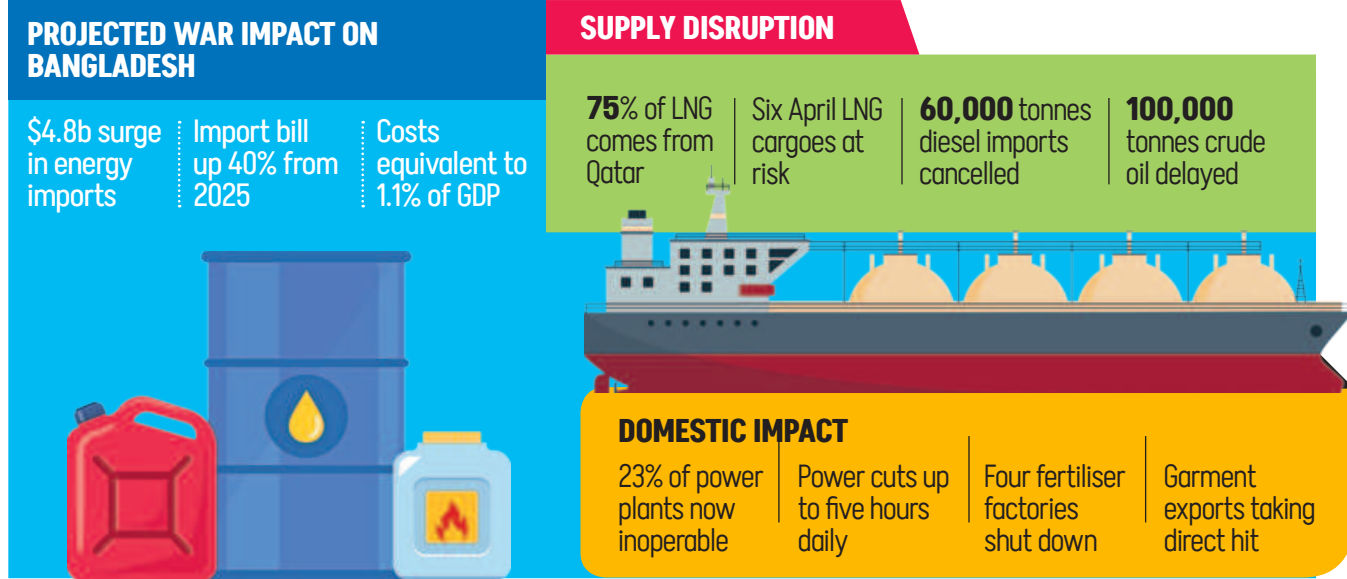
Gambia has also sought an extension of the agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) for graduating LDCs, which would benefit Bangladesh by preserving its patent waiver facility on goods such as medicines beyond graduation.

But concrete decisions at the ministerial conference will be difficult given fragmentation in global trade caused by US reciprocal tariffs and the US-Israel war on Iran, Razzaque said.

"If all the LDCs and graduating LDCs can raise their voice collectively, a few good decisions may come from the conference, because the WTO also has an agenda for LDCs," he added.

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Bangladesh faces \$4.8b surge in annual energy import bill



STAR BUSINESS REPORT

Bangladesh's annual fossil fuel import bill is projected to soar by \$4.8 billion, a 40 percent increase from 2025 levels, due to the Middle East crisis, according to a new analysis by Zero Carbon Analytics (ZCA).

The financial shock of oil, gas, and coal prices will cost the equivalent of 1.1 percent of Bangladesh's 2024 gross domestic product if current elevated levels hold for a year. The country spends roughly \$12 billion annually on energy imports, according to government data.

"This type of crisis is repeating itself, echoing the price shocks caused by Russia's invasion of Ukraine, causing the costs of Bangladesh's dependence on fossil fuels and its delayed energy transition to mount," the ZCA analysts wrote in a March report.

It noted that the Russia-Ukraine conflict had sent Bangladesh into an economic crisis, with GDP levels only recovering in 2025. Asian liquefied natural gas (LNG) rose by 390 percent in the year leading up to Russia's invasion, followed by a 48 percent increase in the five months after it, resulting in power demand shortfalls and months of power cuts. In October 2022, blackouts left 130 million people without power.

The hefty price tag, driven by the ongoing conflict in the Middle East, threatens to severely drain the country's foreign exchange reserves, reducing its import cover ratio from 5.7 months to

4.9 months.

"The increased import bill will also weigh on the country's currency, which could push up inflation and apply greater pressure on the central bank to raise borrowing costs," wrote the international research group that provides analysis on global energy transition.

The crisis exposes Dhaka's deep vulnerability to volatile international energy markets, as 46 percent of the country's total energy supply came from imports in 2023. In the fiscal year 2024-2025, imports accounted for 65 percent of its power needs.

Much of this vital fuel flows through the Strait of Hormuz, where shipping is now severely disrupted. Bangladesh imports around 1.4 million tonnes of crude oil through the strait annually under long term contracts with Saudi Aramco and Abu Dhabi National Oil Company.

An Aramco cargo of 100,000 tonnes bound for Bangladesh is already delayed in the Gulf because of the war, noted the ZCA report.

Supply pressures are emerging across multiple energy sectors. Confirming the squeeze on refined products, the Bangladesh Petroleum Corporation (BPC) reported in early March: "Around 60,000 tonnes out of the 293,000 tonnes of diesel planned for import in March have been deferred or cancelled."

Simultaneously, Qatar, which accounts for 75 percent of Bangladesh's LNG imports, has suspended production

and shipments. Deep LNG dependence is driving fiscal distress across the power sector.

Six out of seven LNG cargoes scheduled for April in the import plan of the state-owned Petrobangla – which is mandated to manage oil, gas and other mineral resources – are expected to pass through the strait. Delivery of half the remaining cargoes is uncertain, according to reports.

David Hasanat, president of the Bangladesh Independent Power Producers' Association, highlighted the scale of the generation deficit, noting, "23 percent of Bangladesh's power plants are inoperable due to gas shortages."

The acute shortages are fracturing the domestic industry. After the shutdown of four fertiliser factories, the country's vital garment export sector is also taking a direct hit.

Mahmud Hasan Khan, president of the Bangladesh Garment Manufacturers and Exporters Association, said, "Power cuts have increased to up to five hours a day since the war began, and diesel supplies are insufficient to run back-up generators."

Despite these compounding emergencies, Bangladesh's transition to clean energy remains stalled. The country needs to deploy 760 MW of renewable capacity annually to hit its 2030 targets, yet only 358 MW were in the construction pipeline as of February 2026.

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Most listed firms pay less than 5% dividends for FY25

158 out of 228 listed companies publish financial reports

AHSAN HABIB

The stock market's performance depends on how well listed companies perform, but many firms disappointed shareholders in the last fiscal year, offering low dividends mainly due to weak sales and profits.

So far, 158 out of 228 listed companies – excluding banks, non-bank financial institutions (NBFIs), and insurance firms – have published their financial reports and announced dividends for the last fiscal year.

Among them, 80 companies provided dividends of less than 5 percent, while 47 gave no dividend at all. 49 firms declared dividends of more than 10 percent, and 24 companies offered exactly 10 percent.

Data showed that dividends of 41 companies increased, 55 paid lower dividends, and 62 kept their payouts unchanged compared to the previous year.

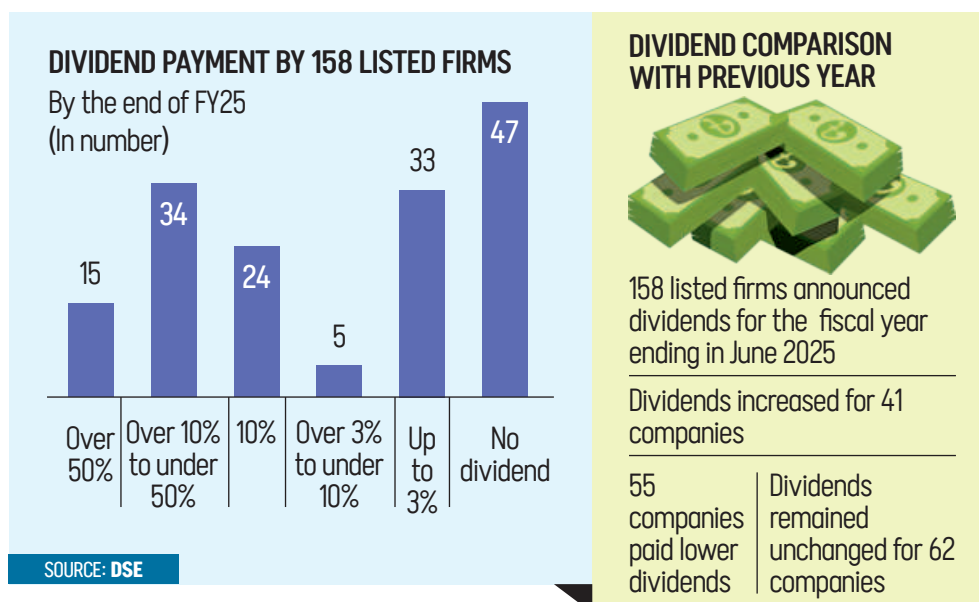
Rashedul Hasan, chief executive officer (CEO) of UCB Asset Management, said dividends are "very crucial for understanding a company's willingness to share profits with minority shareholders and its ability to generate enough cash flow."

He added that dividends also help develop the capital market, but "we do not expect all companies to pay high dividends every year."

He explained that if a company can generate higher returns by reinvesting cash, it should retain profits instead of paying dividends.

"However, some companies avoid sharing profits with shareholders even when they earn well, which is not a good sign. Typically, well-governed firms and multinational companies provide good dividends, even if many others make high profits."

Rashedul said many companies faced a tough year due to high interest rates and



inflation. "High inflation reduced people's purchasing power, which tightened sales, while profitability was under pressure from high bank loan rates," he added.

Looking ahead, he said, "There is little hope for strong improvement amid the ongoing global conflicts."

OPERATIONAL INEFFICIENCY AND MARKET CHALLENGES

In some cases, companies struggle because they cannot manage operations efficiently over the long term. Other reasons include macroeconomic shocks, loss of competitiveness, or a lack of commitment from sponsors to run the company profitably, said Kazi Monir, CEO of Shanta Asset Management.

He added that many companies fail to

sustain their performance after listing, particularly when sponsors offload their shares.

"Companies are usually listed when they are performing at their peak, and sponsors often exit within three to five years. Regulators and issue managers need to be more careful and carry out stronger checks when bringing such companies to the market," he said.

Monir also highlighted that this trend is not unique to Bangladesh. Investors are advised to carefully assess initial public offerings (IPOs) and distinguish between strong and weak companies to avoid losses.

Weak performance among many listed firms has made the stock market less attractive to investors. Data from the Dhaka Stock

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Runner to assemble BYD electric vehicles

Locally assembled cars expected to hit the market in a year

JAGARAN CHAKMA

Runner Group's subsidiary, Runner Automobiles PLC, is set to assemble electric vehicles (EVs) of Chinese automaker BYD in Bangladesh, marking a significant step forward for the country's automobile industry.

The company signed a "master supply and manufacturing" agreement with BYD Auto Industry Company on Friday, said Hafizur Rahman Khan, chairman of Runner Group.

The decision was also approved at a board meeting held the same day, where the company reviewed its current business situation, he added.

Runner Automobiles aims to bring locally assembled BYD vehicles to the market within the next year.

In a disclosure to the Dhaka Stock Exchange (DSE) yesterday, the company said the strategic partnership is expected to create new opportunities for Bangladesh's automotive sector by facilitating local production and enabling technology transfer.

BYD, one of the world's leading EV manufacturers, officially entered the Bangladesh market in 2024. Its local distributor has since been CG-Runner Bangladesh Limited, a concern of Runner Group.

As part of the new initiative, Runner Automobiles plans to establish a manufacturing facility in Bhaluka, Mymensingh, to assemble and paint EVs in collaboration with BYD. The company will receive full technical support from the Chinese automaker to localise production and reduce costs.

Shanat Datta, chief financial officer of Runner Automobiles, said the company is still in the early stages of implementation.

"We are currently in the initial phase following the agreement. Our next step is to finalise the layout and supply chain. Once the design is confirmed, we will be able to determine the total investment," he said.

Data also highlighted the potential for cost reductions through local assembly. Currently, importing completely built units (CBUs) involves a duty of around 93 percent,

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Oil rises as supply disruption persists

REUTERS, London

Oil rose on Tuesday as the world's biggest supply disruption persisted and as Iran denied it had talks with the US to end the war in the Gulf, contradicting US President Donald Trump who said a deal could be reached soon.

Crude futures had dropped more than 10 percent on Monday, after Trump ordered a five-day delay to attacks on Iran's power plants, saying the US had talks with unnamed Iranian officials that produced "major points of agreement."

Brent futures rose \$1.83, or 1.8 percent, to \$101.77 a barrel at 1130 GMT. US West Texas Intermediate (WTI) climbed \$2.21, or 2.5 percent, to \$90.34.

The war has all but halted shipments of about one-fifth of the world's oil and liquefied natural gas through the Strait of Hormuz, causing what the International Energy Agency has called the biggest-ever oil supply disruption.

"The reality on the ground is unchanged," said Nikos Tzabouras, analyst at Jefferies-owned Tradu.com. "The Strait of Hormuz remains effectively closed and supply disruptions linger, tightening the market."

Iran on Tuesday sent waves of missiles into Israel. Three senior Israeli officials, speaking on condition of anonymity, said Trump appeared determined to reach a deal, but that they thought it highly unlikely that Iran would agree to US demands in any new round of negotiations.

"The Iran conflict sees tentative de-escalation, but unresolved risks remain around Hormuz," BCA Research said in a report. "Given continued attack risks and headline volatility, it remains too early to position aggressively for lower oil prices."

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